

## INVESTMENT POLICIES OF THE COUNTY

Chapter 135 of the Ohio Revised Code sets forth the requirements and limitations for investments of the state's political subdivisions, including the County. Under Section 135.35 of the Revised Code, the County may invest its inactive funds as follows:

- (A) United States Treasury bills, notes, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States.
- (B) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
- (C) Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts, in any eligible institution mentioned in section 135.32 of the Revised Code.
- (D) Bonds and other obligations of this state or the political subdivisions of this state, provided that such political subdivisions are located wholly or partly within the same county as the investing authority.
- (E) No-load money market mutual funds consisting exclusively of obligations described in (A) or (B) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in section 135.32 of the Revised Code.
- (F) The Ohio subdivision's fund as provided in section 135.45 of the Revised Code.
- (G) Securities lending agreements with any eligible institution mentioned in section 135.32 of the Revised Code that is a member of the Federal Reserve System, Federal Home Loan Bank, or with any recognized United States government securities dealer meeting the description in Section 135.35 of the Revised Code, under the terms of which agreements the investing authority lends securities and the eligible institution or dealer agrees to simultaneously exchange either securities described in (A) or (B) above or cash or both securities and cash, equal value for equal value.

- (H) Up to twenty-five percent of the County's total average portfolio in either of the following investments:

Commercial paper notes issued by an entity as defined in Section 1705.01 of the Revised Code and that has assets exceeding five hundred million dollars, to which notes all of the following apply:

- (1) at least two nationally recognized rating agencies rank the commercial paper in either of their highest category;
- (2) at least two nationally recognized rating agencies rank the commercial paper in either of their highest category; and
- (3) the notes mature not later than 270 days after purchase.

Bankers acceptances of banks that are insured by the federal deposit insurance corporation and to which both of the following apply:

- (1) the obligations mature not later than 180 days after purchase; and
- (2) the obligations are eligible for purchase by the Federal Reserve System.

- (I) Written repurchase agreements with any eligible institution mentioned in Section 135.32 of the Revised Code or any eligible securities dealer pursuant to Section 135.35 of the Revised Code, under the terms of which agreement the investing authority purchases and the eligible institution or dealer agrees unconditionally to repurchase any of the securities listed in (A) or (B) above. The market value of securities subject to an overnight repurchase agreement must exceed the principal value of the overnight repurchase agreement by at least two percent.

Nothing in the classification of eligible securities and obligations set forth in (A) of this section or in the classifications of eligible securities and obligations set forth in (B) through (M) of this section shall be construed to authorize any investment in stripped principal or interest obligations of such eligible securities and obligations.

The investment policy of the County, as adopted by the Clermont County Treasurer's Office and the Clermont County Investment Advisory Committee and filed with the State Auditor's Office, is attached hereto as Appendix E. All brokers, dealers and financial institutions who give advice or make investment recommendations to the County shall sign the County's Investment Policy thereby acknowledging their agreement to abide by the Policy's contents; those who execute transactions for the County shall read and sign the Policy thereby acknowledging their comprehension and receipt of the Policy.

The County invests in the following types of investments: 1) obligations issued or guaranteed by the United States; 2) obligations issued by federal government agency or instrumentality; 3) certificates of deposit or savings or deposit accounts in eligible institutions mentioned Section 135.32 of the Revised Code; and 4) the Ohio subdivisions fund known as

Star Ohio Fund. The County does not currently own and does not intend to own any derivative type investments.

The County values safety, liquidity and return, in that order. General government investment interest earned by the County in 2003 totaled \$5,281,057.

### AD VALOREM TAXES

Following is the assessed valuation, for the past five years, of property subject to ad valorem taxes levied by the County.

Tax Year	Collection Year	Real Estate(a)	Public Utility Property(b)	Tangible Personal Property(c) Other Than Public Utility	Increase Over Previous Year
					Total
1999*	2000	\$2,539,515,420	\$567,279,530	\$219,511,479	\$3,326,306,429 8.29%
2000	2001	2,636,425,820	540,819,990	190,220,461	3,367,466,271 1.24
2001	2002(d)	2,750,063,470	262,595,640	199,683,480	3,212,342,590 (4.61)
2002**	2003	3,136,913,680	276,544,690	201,346,003	3,614,804,373 12.53
2003	2004	3,239,816,030	276,812,180	192,936,810	3,709,565,020 2.62

The values presented here reflect the values from the County tax duplicates which may vary from the values presented in the County's Comprehensive Annual Financial Report which reflect revisions made by the Board of Revisions.

\*Triennial update.

\*\*Sexennial reappraisal.

- (a) Real property taxes collected in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year.
- (b) Public utility property taxes collected in a calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.
- (c) Tangible personal property taxes collected in a calendar year are levied in the same calendar year, on assessed values during and at the close of the most recent fiscal year of the taxpayer (ending on or before March 31 of said calendar year) at tax rates determined in the preceding year.
- (d) Effective January 1, 2001, the assessment rates on all gas utility property and all electric utility property except property used for the transmission and distribution of electricity were reduced to 24% of true value.

Source: Clermont County Auditor

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